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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re
PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation,

Debtor.

Case No. 01-30923 DM

Chapter 11 Case

Federal I.D. No. 94-0742640

Date: [To Be Set]
Time: [To Be Set]
Place: 235 Pine Street, 22nd Floor,
San Francisco, California

**CALIFORNIA PUBLIC UTILITIES COMMISSION'S APPLICATION FOR
PERMISSION TO FILE AN OVERSIZED MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF MOTION FOR AN ORDER REQUIRING THE
DEBTOR TO (1) PAY ALL AMOUNTS PAYABLE TO UBS WARBURG LLC, AS
ARRANGER OF THE FINANCING REQUIRED UNDER THE COMMISSION'S PLAN
OF REORGANIZATION FOR THE DEBTOR, AND (2) PROVIDE FINANCIAL AND
OTHER INFORMATION AND DUE DILIGENCE ACCESS TO UBS WARBURG LLC**

1 The California Public Utilities Commission (the “Commission”) hereby submits its
2 Application (the “Application”) For Permission To File An Oversized Memorandum of Points
3 and Authorities (the “MPA”) in support of its Motion for an Order Requiring the Debtor to (1)
4 Pay All Amounts Payable to UBS Warburg LLC, as Arranger of the Financing Required Under
5 the Commission’s Plan of Reorganization for the Debtor, and (2) Provide Financial and Other
6 Information and Due Diligence Access to UBS Warburg LLC (the “Motion”), which exceeds the
7 25-page maximum set forth in Bankruptcy Local Rule 9013-1(c) by 10 pages.

8 1. In support of the instant Application, the Commission believes that the MPA raises
9 novel issues of law pertaining to sections 363(b), 364, 503(b) and 1107(a) of the Bankruptcy
10 Code. Specifically, the Commission argues that those sections of the Bankruptcy Code authorize
11 the Court to require Pacific Gas and Electric Company (“PG&E” or the “Debtor”) to (1) pay all
12 amounts payable to UBS Warburg LLC (“UBS Warburg”) in connection with its engagement as
13 financing and capital markets arranger of the financing required under the Commission’s Plan of
14 Reorganization for PG&E, dated May 17, 2002 (the “Commission’s Plan”), on the terms and
15 conditions set forth in that certain engagement letter between the Commission and UBS
16 Warburg, dated June 10, 2002 (the “Engagement Letter”); and (2) to provide financial and other
17 information and due diligence access to UBS Warburg. To demonstrate this proposition, the
18 Commission must engage in a detailed discussion of sections 363(b), 364, 503(b) and 1107(a) of
19 the Bankruptcy Code and the relevant case law construing those sections.

20 2. In addition to a detailed discussion of relevant legal authority, the Commission must
21 also summarize and discuss the Engagement Letter itself, a complex and highly negotiated
22 agreement. Finally, the MPA must describe in detail the unique situation posed by the fact that
23 the Commission, a State agency, is without the budgetary authority to expend the funds required
24 to pay UBS Warburg.

25 3. For all of the foregoing reasons, the arguments raised in the MPA cannot adequately
26 be addressed within the page limits prescribed by Bankruptcy Local Rule 9013-1(c). That Rule
27 provides, in pertinent part, that “[u]nless the Court expressly orders otherwise, initial moving
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1 papers and opposition papers shall not exceed 25 pages of text” Despite diligent efforts, the
2 Commission has been unable to compress its arguments within the 25-page maximum.

3 4. Based on the foregoing, the Commission respectfully requests that the Court enter its
4 Order (in the form submitted herewith) authorizing it to file its oversized MPA pursuant to Rule
5 9013-1(c).

6 DATED: June 25, 2002

7 Respectfully submitted,
8 GARY M. COHEN
9 AROCLES AGUILAR
10 MICHAEL M. EDSON
11 CALIFORNIA PUBLIC UTILITIES COMMISSION

12 By: _____
13 -and-

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18 Attorneys for the California Public Utilities Commission
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In re	Case No. 01-30923 DM
PACIFIC GAS AND ELECTRIC COMPANY, a California corporation,	Chapter 11 Case
Debtor.	
Federal I.D. No. 94-0742640	

**[PROPOSED] ORDER GRANTING
CALIFORNIA PUBLIC UTILITIES
COMMISSION'S APPLICATION FOR PERMISSION
TO FILE AN OVERSIZED MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF MOTION FOR AN ORDER REQUIRING
THE DEBTOR TO (1) PAY ALL AMOUNTS PAYABLE TO UBS WARBURG LLC,
AS ARRANGER OF THE FINANCING REQUIRED UNDER THE COMMISSION'S
PLAN OF REORGANIZATION FOR THE DEBTOR, AND (2) PROVIDE FINANCIAL
AND OTHER INFORMATION AND DUE DILIGENCE ACCESS TO UBS WARBURG LLC**

This Court, having reviewed The California Public Utilities Commission’s (the “Commission”) Application (the “Application”) For Permission To File An Oversized Memorandum of Points and Authorities in support of its Motion for an Order Requiring the Debtor to (1) Pay all Amounts Payable to UBS Warburg LLC, as Arranger of the Financing Required Under the Commission’s Plan of Reorganization for the Debtor, and (2) Provide Financial and Other Information and Due Diligence Access to UBS Warburg LLC (the “Motion”), the record in this case and any admissible evidence presented to the Court at or prior to the hearing on the Application; and

GOOD CAUSE APPEARING, the Application is GRANTED. The page limitation on the Commission's Memorandum of Points and Authorities is expanded to 35 pages.

IT IS SO ORDERED.

Dated: June __, 2002

By: _____
THE HONORABLE DENNIS MONTALI